

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6947

BILL NUMBER: HB 1680

NOTE PREPARED: Feb 27, 2003

BILL AMENDED: Feb 26, 2003

SUBJECT: Use of Banking Terminology.

FIRST AUTHOR: Rep. Bardon

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill prohibits the deceptive use of an existing bank name. The bill provides a civil penalty of up to \$15,000 for each violation.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) *Summary:* Under the bill, the Department of Financial Institutions may impose a civil penalty of up to \$15,000 for an entity (such as a person, firm, limited liability company, or corporation) that uses a name similar to that of an existing bank if the Department finds the entity deceived or confused a reasonable person. The amount of expenditures incurred by the Department of Financial Institutions would depend upon the number of cases that occur.

Under the bill a person, firm, limited liability company, or corporation for unlawfully using the name "bank, banc, or banco or violating any other provision of IC 28-1-20-4 is subject to a \$500 civil penalty per each day of violation. (Under current law, the penalty is \$200 per day.)

Explanation of State Revenues: Revenues received from civil penalties are deposited in the Financial Institutions Fund, which pays all expenses incurred and all compensation paid by the Department.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Financial Institutions.

Local Agencies Affected:

Information Sources:

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